



February 17, 2015

HOUSE BILL No. 1323

DIGEST OF HB 1323 (Updated February 12, 2015 5:17 pm - DI 113)

Citations Affected: IC 21-13; IC 21-44.

Synopsis: Medical residency education. Establishes the medical residency education fund for the purpose of expanding medical education in Indiana by funding new residency program slots at licensed hospitals. Specifies uses of money from the medical residency education fund. Establishes the graduate medical education board in order to: (1) provide funding for residents not funded by the federal Centers for Medicare and Medicaid Services; (2) provide technical assistance for entities that wish to establish a residency program; and (3) provide startup funding for entities that wish to establish a residency program.

Effective: July 1, 2015.

Brown T, Clere, Porter, Niezgodski

January 13, 2015, read first time and referred to Committee on Ways and Means.
February 16, 2015, amended, reported — Do Pass.

HB 1323—LS 6619/DI 104



February 17, 2015

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1323

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-13-6.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2015]:
- 4 **Chapter 6.5. Medical Residency Education Grants**
- 5 **Sec. 1. (a) The medical residency education fund is established**
- 6 **to:**
- 7 **(1) expand medical education in Indiana; and**
- 8 **(2) encourage and promote qualified individuals to complete**
- 9 **a residency program in Indiana.**
- 10 **(b) The fund consists of the following:**
- 11 **(1) Appropriations by the general assembly.**
- 12 **(2) Gifts to the fund.**
- 13 **(c) The commission shall administer the fund. The expenses of**
- 14 **administering the fund shall be paid from money in the fund.**
- 15 **(d) The treasurer of state shall invest the money in the fund not**

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1 currently needed to meet the obligations of the fund in the same
 2 manner as other public funds may be invested. Interest that
 3 accrues from those investments shall be deposited in the fund.

4 (e) Money in the fund at the end of a fiscal year does not revert
 5 to the state general fund but remains available to be used to
 6 provide money to fund residency program slots as described under
 7 this chapter.

8 **Sec. 2. (a) The money in the fund must be used to provide money**
 9 **to the following:**

10 (1) A hospital licensed under IC 16-21 that is seeking to fund
 11 a new residency program slot for a qualified individual to
 12 complete a residency program in Indiana.

13 (2) A nonprofit organization that:

14 (A) is qualified as tax exempt under Section 501(c)(3) of the
 15 Internal Revenue Code; and

16 (B) has the purpose of increasing residency positions in
 17 Indiana by funding new residency program slots at
 18 hospitals licensed under IC 16-21.

19 (b) The commission shall establish an application process for a
 20 person seeking money from the fund.

21 (c) A person receiving funding under this chapter shall provide
 22 any information requested by the commission that the commission
 23 determines is necessary to administer this chapter.

24 **Sec. 3. The medical education board shall annually make**
 25 **available to the commission the most recent information**
 26 **concerning the number of current residency program slots in**
 27 **Indiana.**

28 SECTION 2. IC 21-44-7 IS ADDED TO THE INDIANA CODE AS
 29 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 30 1, 2015]:

31 **Chapter 7. Graduate Medical Education Board and Fund**

32 **Sec. 1. The following definitions apply throughout this chapter:**

33 (1) "Board" refers to the graduate medical education board
 34 established by section 2 of this chapter.

35 (2) "Fund" refers to the graduate medical education fund
 36 established by section 5 of this chapter.

37 **Sec. 2. The graduate medical education board is established for**
 38 **the following purposes:**

39 (1) To provide funding for residents not funded by the federal
 40 Centers for Medicare and Medicaid Services.

41 (2) To provide technical assistance for entities that wish to
 42 establish a residency program, including the following:



(A) Entities that are not licensed hospitals.

(B) Federally qualified health centers.

(3) To provide startup funding for entities that wish to establish a residency program.

Sec. 3. (a) The board is comprised of nine (9) members appointed by the governor as follows:

(1) One (1) member representing the Indiana University School of Medicine.

(2) One (1) member representing the Marian University College of Osteopathic Medicine.

(3) One (1) member representing the Indiana State Medical Association.

(4) One (1) member representing the Indiana Osteopathic Medical Association.

(5) One (1) member representing the Indiana Primary Health Care Association.

(6) One (1) member representing a teaching hospital in the Indiana Hospital Association.

(7) One (1) member representing a nonteaching hospital in the Indiana Hospital Association.

(8) Two (2) members who are medical directors of residency programs.

(b) Except as provided in subsection (c), a member appointed to the board shall serve for a term of two (2) years. Except as provided in subsection (c), the term of a member appointed under subsection (a)(1) through (a)(4) begins on January 1 of an odd-numbered year. The term of a member appointed under subsection (a)(5) through (a)(8) begins on January 1 of an even-numbered year.

(c) This subsection applies to a member appointed under subsection (a)(1) through (a)(4) before January 1, 2016. A member to whom this subsection applies serves for a term of one (1) year beginning January 1, 2016.

(d) The governor shall make appointments to the board at the following times:

(1) The governor shall make the initial appointments to the board before January 1, 2016.

(2) Before the end of each year after 2015, the governor shall appoint members to the board to succeed those members whose terms are scheduled to expire at the end of the year.

(3) When a member resigns or is otherwise unable to complete the member's term, the governor shall appoint a member to



1 serve the remaining term of the member who has resigned or
2 who is otherwise unable to complete the member's term.

3 **Sec. 4. (a) The board members shall designate a chairperson**
4 **from among themselves. The member designated as the**
5 **chairperson continues to serve as chairperson until the earliest of:**

6 **(1) the first anniversary of the chairperson's designation**
7 **under this section; or**

8 **(2) the date on which the chairperson's term expires.**

9 **(b) The board shall meet at the call of the chairperson or at the**
10 **call of a majority of the appointed members.**

11 **Sec. 5. (a) The graduate medical education fund is established**
12 **within the state treasury. Money in the fund is to be used for the**
13 **purposes specified in section 2(1) and 2(3) of this chapter.**

14 **(b) The fund consists of the following:**

15 **(1) Appropriations by the general assembly.**

16 **(2) Grants.**

17 **(3) Gifts.**

18 **(c) The board shall administer the fund.**

19 **(d) The expenses of administering the fund may be paid from**
20 **the fund.**

21 **(e) Money in the fund that is not needed to meet the obligations**
22 **of the fund may be invested in the manner that other public money**
23 **is invested. Interest or other investment returns on money in the**
24 **fund become part of the fund.**

25 **(f) Money in the fund at the end of a state fiscal year does not**
26 **revert to the state general fund.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1323, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, after line 27, begin a new paragraph and insert:

"SECTION 2. IC 21-44-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 7. Graduate Medical Education Board and Fund

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Board" refers to the graduate medical education board established by section 2 of this chapter.
- (2) "Fund" refers to the graduate medical education fund established by section 5 of this chapter.

Sec. 2. The graduate medical education board is established for the following purposes:

- (1) To provide funding for residents not funded by the federal Centers for Medicare and Medicaid Services.
- (2) To provide technical assistance for entities that wish to establish a residency program, including the following:
 - (A) Entities that are not licensed hospitals.
 - (B) Federally qualified health centers.
- (3) To provide startup funding for entities that wish to establish a residency program.

Sec. 3. (a) The board is comprised of nine (9) members appointed by the governor as follows:

- (1) One (1) member representing the Indiana University School of Medicine.
- (2) One (1) member representing the Marian University College of Osteopathic Medicine.
- (3) One (1) member representing the Indiana State Medical Association.
- (4) One (1) member representing the Indiana Osteopathic Medical Association.
- (5) One (1) member representing the Indiana Primary Health Care Association.
- (6) One (1) member representing a teaching hospital in the Indiana Hospital Association.
- (7) One (1) member representing a nonteaching hospital in the Indiana Hospital Association.
- (8) Two (2) members who are medical directors of residency



programs.

(b) Except as provided in subsection (c), a member appointed to the board shall serve for a term of two (2) years. Except as provided in subsection (c), the term of a member appointed under subsection (a)(1) through (a)(4) begins on January 1 of an odd-numbered year. The term of a member appointed under subsection (a)(5) through (a)(8) begins on January 1 of an even-numbered year.

(c) This subsection applies to a member appointed under subsection (a)(1) through (a)(4) before January 1, 2016. A member to whom this subsection applies serves for a term of one (1) year beginning January 1, 2016.

(d) The governor shall make appointments to the board at the following times:

(1) The governor shall make the initial appointments to the board before January 1, 2016.

(2) Before the end of each year after 2015, the governor shall appoint members to the board to succeed those members whose terms are scheduled to expire at the end of the year.

(3) When a member resigns or is otherwise unable to complete the member's term, the governor shall appoint a member to serve the remaining term of the member who has resigned or who is otherwise unable to complete the member's term.

Sec. 4. (a) The board members shall designate a chairperson from among themselves. The member designated as the chairperson continues to serve as chairperson until the earliest of:

(1) the first anniversary of the chairperson's designation under this section; or

(2) the date on which the chairperson's term expires.

(b) The board shall meet at the call of the chairperson or at the call of a majority of the appointed members.

Sec. 5. (a) The graduate medical education fund is established within the state treasury. Money in the fund is to be used for the purposes specified in section 2(1) and 2(3) of this chapter.

(b) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Grants.

(3) Gifts.

(c) The board shall administer the fund.

(d) The expenses of administering the fund may be paid from the fund.

(e) Money in the fund that is not needed to meet the obligations



of the fund may be invested in the manner that other public money is invested. Interest or other investment returns on money in the fund become part of the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1323 as introduced.)

BROWN T

Committee Vote: yeas 23, nays 0.

